

ORDER OF THE COMMISSIONER OF INSURANCE

REPEALING, RENUMBERING, AMENDING AND CREATING A RULE

The office of the commissioner of insurance proposes an order to repeal s. Ins 28 Appendix I; to renumber s. Ins 28.06 (6) (b) (10); to renumber and amend s. Ins 6.58 (3) (intro.), to amend s. Ins 6.58 (3)(b), s. Ins 6.59 (4) (am), s. Ins 28.04 (1)(a), (b), (d) and (2) (c), s. 28.06 (6)(b) 7., s. Ins 28.07 (1) (b) and (2) and s. Ins 28.09; and to create s. Ins 28.04 (1m), 28.06 (6)(b) 11., 12. and 13., and 28.06 (7) (b), Wis. Adm. Code, relating to the requirements for continuing education for insurance intermediaries.

ANALYSIS PREPARED BY THE COMMISSIONER OF INSURANCE

Statutory authority: ss. 601.41 (3), 628.04 (3), and 628.10 (2) (a), Stats.

Statutes interpreted: s. 628.04 (3), Stats.

This order amends the continuing education requirements for individuals licensed as insurance intermediaries in the four major lines of property, casualty, life, accident and health, and the limited line of automobile. In order to satisfy the continuing education requirements, an applicant shall biennially complete 24 credit hours of study as described in s. Ins 28. These changes do the following:

- Eliminate the 12 credit hour requirement of continuing education that was in effect for the period that ended February 15, 1997,
- allow nonresident agents to furnish evidence of compliance with another state's continuation program as proof of compliance with the continuing education requirement in Wisconsin,
- detail how courses completed between January 1 and April 16 of odd-numbered years are credited,
- add additional types of courses which will not qualify as continuing education courses,

- add more recognized programs of study and limit the fees that are paid for recognized courses,
- eliminate the requirement that providers transmit course participant's social security numbers to the office of the commissioner of insurance after course completion,
- eliminate the specific format for the course completion certificate and instead describe the information to be included in the certificates issued to agents completing approved courses,
- allow for the use of a national application and
- extend the time a home state letter of certification for original licensing and for compliance with continuing education requirements is accepted from 60 to 90 days.

SECTION 1. Ins 6.58 (3) (intro) is renumbered and amended to read:

Ins 6.58 (3) (intro.) PROCEDURE. (a) Application for a permanent intermediary license, reinsurance intermediary license or managing general agent license for a corporation or partnership shall be made on application form 11-50 or, for residents of states that have signed a declaration of uniform treatment with Wisconsin, the NAIC Uniform Application for Business Entity Non-Resident License/Registration form and filed with the commissioner of insurance. ~~(a)~~The application ~~must~~ shall be accompanied by:

Note: Copies of forms referenced in Ins 6.58 and 6.59 can be obtained at the Office of the Commissioner of Insurance.

Section 2. Ins 6.58 (3) (b) is amended to read

Ins 6.58 (3) (b) Determination of the acceptance or rejection of a completed application shall be made within 60 business days. A completed application consists of form 11-50 or, for residents of states who have signed a declaration of uniform treatment with Wisconsin, the NAIC Uniform Application for Business Entity Non-Resident License/Registration form and other required material described in par. (a).

SECTION 3 Ins 6.59 (4) (am) is amended to read:

Ins 6.59 (4)(am) Application for nonresident intermediary agents.
Application for a permanent nonresident agent license or an enlargement of authority shall be made on form OCI 11-041N(rev.) or, for residents of states that have signed a declaration of uniform treatment with Wisconsin, the NAIC Uniform Application for Individual Non-Resident License form and filed with the office of the commissioner of insurance. A completed application consists of a completed OCI 11-041N(rev.) or, for residents of states that have signed a declaration of uniform treatment with Wisconsin, the NAIC Uniform Application for Individual Non-Resident License form giving the current address for the residence of the applicant; an original certificate of licensing from the state of residence dated not more than ~~60~~ 90 days prior to the application date; payment of the fees; and any documentation required in answer to questions on the application.

SECTION 4. Ins 28.04 (1m) is created to read:

Ins 28.04 (1m) DEFINITIONS.

1. NAIC means National Association of Insurance Commissioners.
2. A declaration of uniform treatment means an agreement with another state that both states will deal with certain entities in the same manner.

SECTION 5. Ins 28.04 (1) (a), (b), (d) and (2) (c) are amended to read:

Ins 28.04 (1) (a) Each intermediary licensed in any of the major lines of property, casualty, life, or accident and health insurance, and the limited line of automobile shall biennially complete 24 credit hours of continuing education approved by the commissioner in accordance with this chapter. ~~For the initial period ending February 15, 1997, 12 credit hours are required.~~

(b) Every resident and nonresident intermediary shall, on a biennial basis, on or before February 15 of each odd-numbered year, furnish evidence to the commissioner in a manner prescribed by the commissioner that the continuing

education requirements of this section have been satisfied. A nonresident whose home state does not have a continuing education requirement but is licensed for the same lines of authority in another state which does have a continuing education requirement may comply with this section by furnishing evidence of compliance with the other state's requirement.

(d) Excess credit hours accumulated during any biennium may not be carried forward to the next biennium. Courses completed from January 1 through April 16 of each odd-numbered year may only be counted to either the current or following reporting period, but not both. Courses are counted and banked in the order they are completed.

Ins 28.04 (2)(c) A nonresident intermediary who furnishes an original letter of certification not more than ~~60~~ 90 days old when received by the commissioner, which provides evidence of compliance with continuing education requirements in his or her state of residence, provided that the state of residence grants similar exemptions to Wisconsin residents who have satisfied Wisconsin's continuing education requirements under this section.

SECTION 6. Ins 28.06 (6) (b) 10. is renumbered Ins 28.06 (6) (b) 12.

SECTION 7. Ins 28.06 (6) (b) 7. is amended to read:

Ins 28.06 (6) (b) 7. Personnel ~~Personnel~~/Agency Management

SECTION 8. Ins 28.06 (6) (b) 11., 12. and 13. and (7) (b) are created to read:

Ins 28.06 (6) (b) 11. Repair procedures

12. Cleaning Techniques

13. Agency Mangagement (except as permitted in par. (a))

(7) (b) The fee to be paid for each course submission by each provider for recognized programs of study identified in s. Ins 28.09 shall be the same as provided in (a), not to exceed eight times the credit hour fee per course.

SECTION 9. Ins 28.07 (1) (b) and (2) are amended to read:

Ins 28.07 (1) (b) Certificates of continuing education shall be issued to each agent completing an approved course and shall contain the information specified in Appendix 1 and shall be printed the agent's name, Wisconsin license number, course title and number, date the course was completed, number of approved credit hours, name of provider and provider license number, signature of authorized provider representative, and the date issued in a form acceptable to the commissioner.

(2) Providers shall submit to the commissioner a computerized list of course attendees, which includes the intermediary's name, Wisconsin license number, date of birth, ~~social security number~~, course number, course title, date and location of the course, and number of credit hours for which the course has been approved in a format specified by the commissioner, of all persons satisfactorily completing continuing education programs. Accompanying the computerized list shall be a letter signed by a person authorized to sign certificates of continuing education certifying that the students listed personally attended the reported class room instruction. The computerized list shall be furnished to the commissioner within 30 days following the date of completion of continuing education programs, except during the period January 1 through May 1 of each odd-numbered year, at which time computerized lists shall be furnished to the commissioner within 10 days following the date of completion of the programs.

SECTION 10. Ins 28.09 is amended to read:

Ins 28.09 Recognized Programs of Study. Programs of study leading to and maintaining any of the following designations may be approved by the commissioner under s. Ins 28.06 (5) as a course: Chartered Financial Consultant (ChFC); Certified Insurance Counselor (CIC); Chartered Property and Casualty Underwriter (CPCU); Registered Health Underwriter (RHU); Chartered Life Underwriter (CLU); Life Underwriter Training Council Fellow (LUTCF); Certified Employee Benefit Specialist (CEBS); Certified Financial Planner (CFP); Fellow of the Life Management Institute (FLMI); Registered Employee Benefits

Counselor(REBC); Health Insurance Associate (HIA); Associate in Claims (AIC);
Associate in Risk Management (ARM); Associate in Underwriting (AU); Associate in
Loss Control Management (ALCM) and Fraternal Insurance Counselor (FIC).

SECTION 11. Chapter Ins 28 Appendix I is repealed.

SECTION 12. INITIAL APPLICABILITY. This rule first applies to all intermediaries required to complete continuing education beginning with the reporting period starting on January 1, 1999 and ending December 31, 2000.

SECTION 13. EFFECTIVE DATE. This rule shall take effect on January 1, 1999, as provided in s. 227.22 (2) (b), Stats.

Dated at Madison, Wisconsin, this _____ day of November, 1998.

Randy Blumer
Commissioner of Insurance